

Message Text

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PAGE 01 STATE 199314

72

ORIGIN XMB-07

INFO OCT-01 ARA-16 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-03 INR-11 NSAE-00 RSC-01 TRSE-00 OPIC-12 SP-03

CIEP-03 LAB-06 SIL-01 OMB-01 /096 R

66612

DRAFTED BY:EXIMBANK:LLAROCHE

APPROVED BY:EB/OCA/REP:LAKLIEFORTH

EXIMBANK:RJALBRIGHT/RAPRICE/APILZER/DEGIANTURCO/WWGLICK/WCSAUER

EB/IFD/ODF:EMLINTON ARA/BC:HECHTMAN

SPECIAL CHARGE: EXIMBANK

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R 111627Z SEP 74

FM SECSTATE WASHDC

TO AMEMBASSY SANTIAGO

UNCLAS STATE 199314

E.O. 11652: N/A

TAGS: EFIN, CI

SUBJECT: CHILEAN BANK GUARANTEES ON EXIM TRANSACTIONS

REF: SANTIAGO 5172

1. WE ARE NOT SURE THAT WHAT BANCO CENTRAL PERCEIVES AS AN APPARENT PROBLEM ACTUALLY IS ONE, I.E., THE ALLEGATION IN REFTEL THAT NO PRIVATE SECTOR GUARANTEES ARE BEING APPROVED. SINCE RESUMPTION OF SUPPLIER CREDITS IN MARCH 1974, EXIMBANK HAS APPROVED 34 SHORT AND MEDIUM-TERM INSURANCE AND GUARANTEE TRANSACTIONS WITH CONTRACT VALUE TOTALING \$15.3 MILLION. (THIS EXCLUDES NUMEROUS SMALL INSURANCE TRANSACTIONS APPROVED DIRECTLY BY FCIA WITHOUT REFERRING TO EXIMBANK.)

2. OF THESE, 13 WERE TO THE PRIVATE SECTOR TOTALING \$3.8 MILLION. THREE (INCLUDING TWO SHORT-TERM CASES) FOR \$1.2 MILLION WERE WITH BANCO DEL ESTADO AS GUARANTOR, SIX FOR \$2.1 MILLION WERE WITH OTHER CHILEAN COMMERCIAL BANKS AS GUARANTORS, AND TWO SHORT-TERM UNCLASSIFIED

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PAGE 02 STATE 199314

CASES FOR \$20,000 WERE WITHOUT A GUARANTEE REQUIREMENT. THE SIX

WITH BANKS OTHER THAN BANCO DEL ESTADO, ALL APPROVED IN AUGUST,
WERE AS FOLLOWS:

	CONTRACT		
BUYER	EXPORTER	VALUE	GUARANTOR
	(000)		

1. CMPC (PAPELERA) PAPER CONVTG. 475 COMM'L BANK SATISFACTORY
MACH.CO. TO EIB

2. CMPC CLARK INT'L 230 COMM'L BANK SATISFACTORY
TO EIB

3. CIA INTERAMER- ROCKWELL 200 BANCO DE CHILE
ICANA DE TEJIDOS

4. EMP.CONSTR. JOY 25 BANCO DE CHILE
CLARIO, VICUNA Y
VALENZUELA

5. CONSTR. DE ING. CATERPILLAR 500 BANCO SUD AMERICANO
NEUT. LATOUR

6. S.A. IMPORTADORA THOMAS BUSES 704 SUD AMERICANO OR DE CHILE
VEHICULOS FORD

3. BANCO CENTRAL MAY BE UNAWARE OF THIS INASMUCH AS SOME TIME
INVARIABLY PASSES BEFORE SUPPLIER CREDIT TRANSACTIONS ARE CONSUM-
MATED. THERE IS NO MECHANISM FOR CLEARING OR PRIOR NOTIFICATION
OF PRIVATE SECTOR TRANSACTIONS NOT GUARANTEED BY CORFO, AND
NOTICE TO BANCO CENTRAL WOULD PROBABLY FIRST COME WITH IMPORTER'S
APPLICATION THROUGH COMMERCIAL BANK FOR "REGISTRO DE IMPORTACION."

4. EXIMBANK, ON ITS PART, IS CONCERNED THAT A PROLIFERATION OF
APPLICATIONS FOR SALES TO PUBLIC SECTOR PROPOSING GUARANTORS
OTHER THAN CORFO, SUCH AS BANCO CENTRAL AND MINISTRY OF FINANCE,
MAY REPRESENT AN ATTEMPT BY PUBLIC BUYERS TO EVADE CLEARING PRO-
CEDURE. WE WOULD WELCOME BANCO CENTRAL AND CORFO SUGGESTIONS FOR
BROADENING CLEARING PROCEDURE TO ENCOMPASS ALL PUBLIC SECTOR
TRANSACTIONS, AND WONDER IF THIS COULD BE CENTRALIZED IN ONE
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PAGE 03 STATE 199314

PLACE SUCH AS CORFO OR CACE. KISSINGER

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